# S&P 500 Company Sales in Asia Continue to Increase, as European Sales Remain on the Decline

**In Turnaround, Companies Sent More Income Tax Payments to Washington than Abroad in 2012**

NEW YORK, Aug. 13, 2013 /PRNewswire/ -- S&P 500 companies with full reporting information posted 46.6% of their sales from outside of the United States in 2012, up from the 46.1% reported in 2011, 46.3% reported in 2010, and on par with the 46.6% posted in 2009 according to research published today by S&P Dow Jones Indices. The data is derived from the 264 companies within the S&P 500 that have full reporting information.

"While the percentage of foreign sales posted a small increase in 2012, reversing last year's slight tick downward, the underlying trend remains the same – S&P 500 company sales in Asia continue to increase while European sales continue their decline," says Howard Silverblatt, S&P Dow Jones Indices' Senior Index Analyst and author of the report. "Even though Europe still accounts for more sales, the gap between Europe and Asia is diminishing."

According to the report, sales to European countries declined to 9.7% of all S&P 500 sales in 2012, down from 11.1% in 2011 and 13.5% in 2010. The United Kingdom decreased to 1.7% of all sales in 2012 from 2.4% in 2011. "European ex-U.K. sales fell to 8.0% in 2012, from 8.7% in 2011 and 12.0% in 2010, representing the greater impact of the European recession on U.S. issues," adds Silverblatt.

On a country by country basis, Canada remained the top declared country for foreign sales – accounting for 4.1% of all S&P 500 sales, down from 4.3% in 2011 and representing 8.8% of all foreign sales, down from 9.3% in 2011. Japan improved to 1.0% of all S&P 500 sales, up from 0.7% reported in 2011 and 0.5% 2010.

Looking at sectors, Information Technology continues to dominate with over 58.3% of its declared sales coming from outside of the United States, up from 56.5% reported in 2011, as Financials continued to decline to 30.0%, down from 34.7% in 2011.

S&P Dow Jones Indices also determined that the percentage of income tax paid to foreign entities decreased 1.8% in 2012 as U.S. payments increased 24.2% with S&P 500 issues sending a cumulative USD $139 billion to non-U.S. governments and USD $146 billion to the U.S. government.

"In 2012, S&P 500 issues returned to paying more income tax to the U.S. government than to foreign countries, reversing a two year trend," notes Silverblatt. "Washington received 51.2% of income taxes paid in 2012, up from 45.3% in 2011. The 48.8% paid abroad is substantially down from 60.6% in 2005."

"At this point it is not just about tax rates and credits, but in what domain the sales and profits are registered in. Tax policy has now become a major issue with the public debate expected to grow substantially, emulating the levels and political turmoil which surrounded the health care debate," adds Silverblatt.

**S&P MidCap 400 and S&P SmallCap 600 Foreign Sales**

An initial review of the data by Silverblatt shows that S&P MidCap 400 issues have less exposure to foreign sales than large-cap issues, with S&P SmallCap 600 issues having even less exposure. Sector variance revealed that mid- and small-cap issues had slightly higher concentration in Health Care and less in Information Technology and Finance. "Top-line foreign sales exposure seems to reduce with size, but bottom-line income may be a different story. Large-caps may be able to control more of their fate through ownership, joint ventures and the ability to hedge currencies to protect costs. Smaller-caps appear to have to go with the flow more – so if they are currently importing component parts from Japan, they are saving a few cents," says Silverblatt.

The full report, *S&P 500: 2012 Global Sales*, can be accessed by going to: www.spdji.com. The Report is posted under "Resources".

**S&P Dow Jones Indices**
**S&P 500 2012 Global Sales Report**
**Sector foreign sales**

| % OF SALES | FOREIGN SALES 2012 | FOREIGN SALES 2011 | FOREIGN SALES 2010 | FOREIGN SALES 2009 | FOREIGN SALES 2008 | FOREIGN SALES 2007 | FOREIGN SALES 2006 | FOREIGN SALES 2005 |
|---|---|---|---|---|---|---|---|---|
| **Consumer Discretionary** | 42.45% | 42.28% | 42.98% | 42.43% | 44.05% | 42.46% | 38.76% | 37.28% |
| **Consumer Staples** | 38.90% | 46.99% | 45.61% | 46.56% | 46.95% | 39.06% | 36.57% | 37.51% |
| **Energy** | 52.57% | 39.29% | 38.86% | 43.66% | 50.47% | 55.69% | 56.50% | 56.62% |
| **Financials** | 29.98% | 34.67% | 37.05% | 40.19% | 34.09% | 31.59% | 29.93% | 31.36% |
| **Health Care** | 50.23% | 52.42% | 49.82% | 47.21% | 48.61% | 44.54% | 41.76% | 37.54% |
| **Industrials** | 47.41% | 47.96% | 45.06% | 44.21% | 46.14% | 44.11% | 41.14% | 39.68% |
| **Information Technology** | 58.32% | 56.52% | 56.30% | 56.02% | 55.27% | 55.38% | 53.50% | 54.86% |
| **Materials** | 50.70% | 53.71% | 52.46% | 52.06% | 49.66% | 46.99% | 42.22% | 40.81% |
| **Telecommunication Services** | N/M | N/M | N/M | N/M | N/M | N/M | N/M | N/M |
| **Utilities** | N/M | N/M | N/M | N/M | N/M | N/M | N/M | N/M |
| **Total Non-U.S.** | **46.59%** | **46.14%** | **46.29%** | **46.57%** | **47.94%** | **45.84%** | **43.55%** | **43.26%** |

**Source: S&P Dow Jones Indices**

**S&P Dow Jones Indices**
**S&P 500 2012 Global Sales Report**
**Regional sales makeup of the S&P 500 SALES**

| REGION | SALES 2012 | SALES 2011 | SALES 2010 | SALES 2009 | SALES 2008 |
|---|---|---|---|---|---|
| **AFRICA** | 3.55% | 3.67% | 3.00% | 3.70% | 2.81% |
| **ASIA** | 7.46% | 7.16% | 6.07% | 8.22% | 6.36% |
| **AUSTRAILIA** | 0.14% | 0.21% | 0.12% | 0.13% | 0.09% |
| **EUROPE** | 9.69% | 11.08% | 13.48% | 11.91% | 13.33% |
| **N. AMER (NOT US)** | 4.59% | 4.37% | 1.94% | 3.49% | 4.53% |
| **S. AMER** | 2.65% | 2.62% | 2.14% | 2.65% | 2.58% |
| **FOREIGN** | 18.51% | 17.04% | 19.54% | 16.48% | 18.22% |
| **TOTAL S&P 500 FOREIGN** | **46.59%** | **46.14%** | **46.29%** | **46.57%** | **47.94%** |

**Source: S&P Dow Jones Indices**

**S&P Dow Jones Indices**
**S&P 500 2012 INCOME TAXES PAID, US$**

| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|---|---|---|---|---|---|---|---|
| **FOREIGN US$ MILLION** | $139,132 | $141,639 | $117,341 | $91,876 | $135,129 | $123,610 | $112,686 | $91,794 |
| **U.S. US$ MILLION** | $145,765 | $117,337 | $101,662 | $92,667 | $107,205 | $151,104 | $155,269 | $141,471 |
| | | | | | | | | |
| **FOREIGN % CHANGE** | -1.77% | 20.71% | 27.72% | -32.01% | 9.32% | 9.69% | 22.76% | 27.19% |
| **U.S. % CHANGE** | 24.23% | 15.42% | 9.71% | -13.56% | -29.05% | -2.68% | 9.75% | 40.94% |
| | | | | | | | | |
| **FOREIGN $ MILLION CHANGE** | -$2,507 | $24,299 | $25,464 | -$43,252 | $11,518 | $10,924 | $20,893 | $19,622 |
| **U.S. $ MILLION CHANGE** | $28,428 | $15,675 | $8,995 | -$14,538 | -$43,900 | -$4,165 | $13,799 | $41,095 |
| | | | | | | | | |
| **FOREIGN % OF TOTAL** | 48.8% | 54.7% | 53.6% | 49.8% | 55.8% | 45.0% | 42.1% | 39.4% |
| **U.S. % OF TOTAL** | 51.2% | 45.3% | 46.4% | 50.2% | 44.2% | 55.0% | 57.9% | 60.6% |

**Source: S&P Dow Jones Indices**

**About S&P Dow Jones Indices**
S&P Dow Jones Indices LLC, a part of McGraw Hill Financial, is the world's largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average™, S&P Dow Jones Indices LLC has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of investors. More assets are invested in products based upon our indices than any other provider in the world. With over

830,000 indices covering a wide range of asset classes across the globe, S&P Dow Jones Indices LLC defines the way investors measure and trade the markets. To learn more about our company, please visit www.spdji.com.

*Standard & Poor's and S&P are registered trademarks of Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial. Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks have been licensed to S&P Dow Jones Indices LLC. It is not possible to invest directly in an index. S&P Dow Jones Indices LLC, Dow Jones, S&P and their respective affiliates (collectively "S&P Dow Jones Indices") do not sponsor, endorse, sell, or promote any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices does not have the necessary licenses. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties.*

SOURCE S&P Dow Jones Indices

---

https://press.spglobal.com/2013-08-13-S-P-500-Company-Sales-in-Asia-Continue-to-Increase-as-European-Sales-Remain-on-the-Decline